

Toll Operations and Maintenance

Program B2 Tacoma Narrows Bridge

Summary of Toll Discount Scenarios

The scenarios provided here are the result of prior discussions held by the Citizen Advisory Committee and requests made by them. The primary focus of these versions is that no operating deficits are created by the discounted toll rate possibilities being presented.

Scenario 3 assumes that the \$1.3 million subsidy previously provided by legislative action will be carried forward to the 07-09 biennium and be available to fund a limited toll discount during the first 9 months of operation. In subsequent years, any discount offered would have to be subsidized by an increase in the cash toll rate, therefore the cash toll increases are accelerated from the base case plan.

Scenario 5A provides a discount ETC rate, but assumes that the subsidy will not be renewed and that any discount offered would have to be offset by an increase in the cash toll rate, therefore the cash toll increases are accelerated from the base case plan.

Scenario 6 is a new suggestion that borrows rates from other scenarios. Assuming legislative intent was to fund a 50% discount in order to provide an incentive for ETC use during the retrofit period, the Governor's Budget includes the \$10 million suggested during the prior legislative session. This scenario assumes an increase for manual toll payers in 2009 to offset a continued ETC discount, and a toll increase for ETC customers in 2010.

Scenario 10 addresses a proposal from the CAC to offer a \$1.00 toll to ETC users. This shows the Gross Toll Revenue as modelled by the Traffic and Revenue Consultants. This estimate of toll revenue reflects high ETC participation - starting out at 59% and climbing to 69.9% by the end of one year. Resulting revenues are lower; however, due to less money being collected for each ETC transaction.

State Fiscal Year	Toll Rate*	Gross Toll Revenue	Contribution of State Funds**	Total Costs Paid by Tolls	Annual Surplus / (Shortage)	Expenditure Coverage	Cumulative Surplus / (Shortage)
Base Case Scenario							
2008	\$3.00 (+ per Axle 01/08-06/08)	43,177,000	-	33,742,000	9,435,000	128.0%	9,435,000
2009	\$3.00 + per Axle	45,070,000	-	45,720,000	(650,000)	98.6%	8,785,000
2010	\$3.00 + per Axle (07/09-12/09) \$4.00 + per Axle (01/10-06/10)	53,173,000	-	52,967,000	206,000	100.4%	8,991,000
Scenario 3							
2008	\$1.50 ETC/\$3.00 Cash (07/07-03/08) \$2.50 ETC/\$3.00 Cash (04/08-06/08)	33,665,000	1,300,000	33,742,000	1,223,000	103.6%	1,223,000
2009	\$3.00 ETC/\$4.00 Cash + per axle	49,832,000	-	45,720,000	4,112,000	109.0%	5,335,000
2010	\$3.00 ETC/\$5.00 Cash + per axle	55,595,000	-	52,967,000	2,628,000	105.0%	7,963,000
Scenario 5A							
2008	\$2.00 ETC/\$3.00 Cash + per axle	35,611,000	-	33,742,000	1,869,000	105.5%	1,869,000
2009	\$3.00 ETC/\$4.00 Cash + per axle	49,832,000	-	45,720,000	4,112,000	109.0%	5,981,000
2010	\$3.00 ETC/\$5.00 Cash + per axle	55,595,000	-	52,967,000	2,628,000	105.0%	8,609,000
Scenario 6							
2008	\$1.50 ETC/\$3.00 Cash + per axle	31,360,000	10,000,000	33,742,000	7,618,000	122.6%	7,618,000
2009	\$3.00 ETC/\$4.00 Cash + per axle	49,832,000	-	45,720,000	4,112,000	109.0%	11,730,000
2010	\$3.60 ETC/\$4.00 Cash + per axle	56,623,000	-	52,967,000	3,656,000	106.9%	15,386,000
Scenario 10							
2008	\$1.00 ETC/\$3.00 Cash + per axle	27,013,000	-	33,742,000	(6,729,000)	80.1%	(6,729,000)

* All scenarios, with the exception of the Base Case Scenario, assume that the per axle charges will be implemented from the beginning of toll collection. The Base Case Scenario assumes that the additional charges for vehicles with more than 2 axles will be implemented in January 2008.

**Incentive for Intelligent Traffic Systems (ITS):

"The new Tacoma Narrows Bridge will open in April 2007, at which time the existing bridge will be partially closed for a major retrofit, to fully reopen in the spring of 2008. For the year that the existing bridge is being retrofitted, the budget provides funding to reduce tolls for all toll payers using the electronic toll system.

While the Transportation Commission has the responsibility to set tolls, it is estimated that the initial toll for electronic toll payers will be \$1.50 instead of \$3.00."

2006 Enacted Supplemental Budget Legislative Budget Notes

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